

BASKETBALL TELECASTS ADJUST TO LEANER TIMES

Slower sales than usual in college arena; professional sees value in multiyear deals

As NBC and TNT enter the second year of their four-year contracts with the National Basketball Association, neither network is boasting about big profits. NBC Sports executives are said to be expecting at best a small profit on the network's \$600-million deal, while Turner Sports executives are budgeting for a loss on their \$275-million contract.

But in comparison to other sports, professional basketball appears to be faring well in the slumped marketplace. Both NBC and TNT are already about 75% sold out on the upcoming NBA season and have been able to do so at pricing consistent with last year.

"They're in a very, very good position right now," said SFM Media's Gary Villante, director of network negotiations for Isuzu and Avis.

NBC is benefiting from long-term deals with Miller Brewing and eight automakers, including General Motors Corp., Ford Motor Corp., Chrysler Corp., Toyota Motor Sales USA, Nissan Motor Corp. USA, American Honda Motor Corp., Mazda Motor of America and Mitsubishi Motors Corp.

Largely as a result of those multiyear deals, NBC Sports President Dick Ebersol has said that the NBA contract has already made money and will continue to make money over the course of the four-year contract.

Going into the second year of the contract, one NBC Sports insider said unit pricing for a 30-second spot in the upcoming season is holding at about last year's level. According to information from Arbitron's Broadcast Advertisers Reports (BAR), spots last year averaged \$44,400 in the fourth quarter of 1990 and \$55,000 in the first quarter of 1991. Unit prices for the championship series were going for an estimated \$225,000, while 30-second spots for the 1991 NBA All-Star game went for about \$140,000.

Ratings for the NBA on NBC have so far been a mixed bag (see chart, p.38). While the 1991 NBA finals were up almost 30% over the previous year, the network saw a 10% drop in regular season ratings and an 8% decline in playoff numbers.

NBC will add two regular season NBA games to its schedule this year, bringing the network's total to 24.

On the cable side, TNT is close to 75% sold out on its 1991-92 NBA schedule through deals with incumbent advertisers, according to Turner executive Mark Mariani. Pricing is said to be up slightly from last year, when units sold at about \$12,000 during the regular season and \$30,000 for playoff games. TNT is guaranteeing a 2.1 national rating among cable homes for its regular season games and a 3.6 average rating for the playoffs. Entering its third year of NBA coverage on Nov. 1, TNT will feature 51 regular-season prime time contests and several special events, including at least 26 playoff games.

Turner Sports President Terry McGuirk earlier this year acknowledged that the company was budgeting at a loss on its NBA package, but would not provide specific figures. Regardless of any losses, said Kevin O'Malley, Turner Sports vice president of programing, "we're in a pretty positive position relative to what is out there in the marketplace."

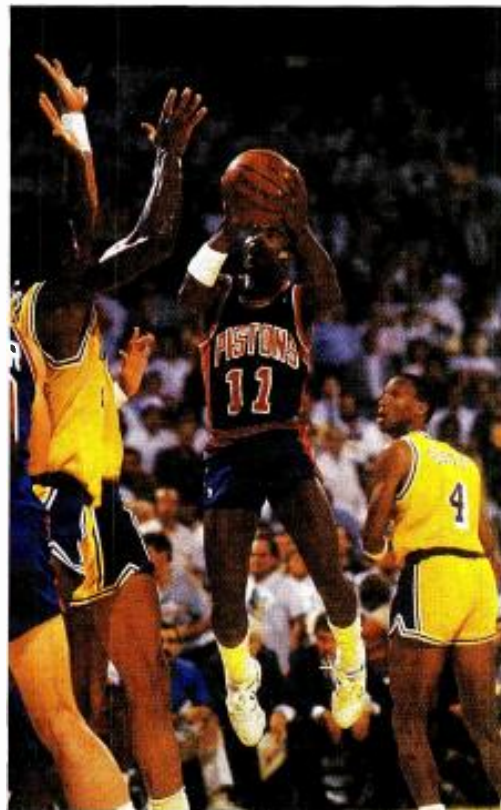
On the local side, NBA teams are expected to take in about the same amount as last year, \$104 million, in various deals with over-the-air and cable TV and local radio. A number of major local contracts will not be up for renewal until 1996, according to Ken Haines, executive vice president, Raycom Sports and Entertainment.

In other significant NBA TV developments, a federal judge in Chicago earlier this year knocked down efforts by the association to limit to 20 the number of games that can be aired by a superstation. Tribune-owned WGN-TV, which won the case, will this season increase the number of Bulls telecasts from 25 to 30 regular-season games.

College basketball

As with most sports properties on television these days, college basketball is learning to adjust to tough economic times. Sales are moving at a slower pace than they have in the past; fewer games are making their way to the national broadcast schedules, and network sports divisions are looking for ways to make production of the games more affordable.

The most obvious cost-saving move by a network this season will be a new



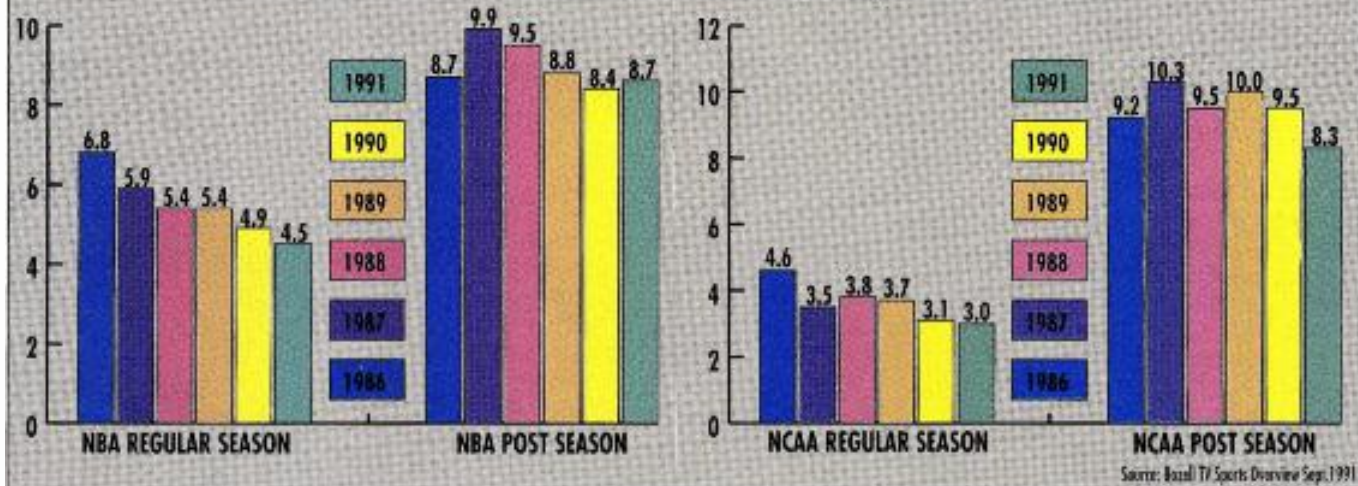
deal between ABC Sports and Raycom Sports and Entertainment in which the independent producer-syndicator will pay the network about \$1.5 million in exchange for distribution of at least 26 Sunday afternoon college basketball games. The deal allows ABC to televise games while avoiding the high costs usually associated with in-house production.

"Using the mere scale of efficiency, we're able to negotiate production arrangements cheaper than an organization producing 30 games a year," said Raycom's Ken Haines. "There's an economy of scale."

Some executives at the major NCAA conferences have expressed concern that the tough economy is resulting in a declining number of national network broadcasts for college basketball. NBC will present six games this season, up from four last year but down from 20 games during the 1989-90 season; CBS will drop three regular season games previously covered on a regional basis, and ABC Sports will present its 26-game schedule in 11 broadcast windows on a predominantly regional basis.

"It is a concern, but at this point I'm not sure what can be done about it," said Jim Haney, commissioner of the Big West Conference. "The advertising dollars are becoming increasingly diffi-

NBA AND NCAA RATINGS TRENDS, 1986-1991



cult to get. I'd like to think it's going to come back, but there's so much sports on television that you really need something special to make it stand out."

The networks are likely to air more college basketball as the 1997 expiration date nears on CBS's NCAA Tournament package, said Mark Womack, executive associate commissioner, Southeastern Conference. The networks will likely do so in order to win favor with the NCAA, he explained.

CBS Sports will be entering the second of its seven-year, \$1-billion deal to carry the NCAA Tournament package, spending an average of \$143 million this season in rights to the games. The 65-hour slate of games last year saw a drop in average tournament and championship game ratings compared with 1990-91 (see chart), but CBS Sports President Neal Pilson said the coverage nevertheless made a small profit in its debut outing.

In other CBS Sports developments this year, the network will be entering the first of a four-year deal with the Big Ten. The network has agreed to pay approximately \$4.7 million per season for 20 annual team appearances by the league, which was previously featured on ABC. With the completion of the deal, CBS now holds exclusive rights to the network broadcasts of both the Big East and Big Ten games.

CBS will present 29 national Saturday and Sunday afternoon broadcasts featuring 24 different teams from five conferences. The network's 11th consecutive season of NCAA regular-season Division I basketball begins Dec. 7 at 3:45 p.m. ET with Kentucky at Indiana and concludes with coverage of the women's and men's NCAA Division I Basketball Championship games on April 5 and 6,

respectively.

Raycom, which will be handling the scheduling, marketing and production of all college basketball games on ABC, will be involved in the production or sale of more than 350 games representing six major conferences: ACC, Big Eight, Big Ten, Metro, Pac-10 and Southwest Conference.

Among those conferences, the ACC will this season enter the first of a six-year deal allowing Raycom to handle all clearances on its games. Raycom last season handled only regional distribution of the ACC games, while the league itself had ironed out a one-year \$1.9-million network deal with CBS.

Haines said regional sales for the upcoming season have been steady at Raycom, which covers about 75% of the United States through regional deals. "When advertisers have to cut, they tend to cut the national product rather than the regional product," according to Haines.

Sales have not yet taken off at ESPN on its extensive college basketball schedule, but executives at the cable network have learned not to panic.

"It seems to me the pace of sales is three to four weeks behind the traditional pattern," said ESPN's Jack Bonanni, senior vice president, advertising sales. "It has taught me a new kind of patience."

ESPN is guaranteeing average ratings of 1.6 for its fourth-quarter games and 2.0 for the early 1992 match-ups. Bonanni said although sales might take a little longer than they once did, he did not anticipate any price-cutting on ESPN's 200-plus game schedule.

ESPN's 1991-92 schedule begins on Nov. 15 with the Indiana-UCLA Tip-Off Classic, which will be the first prime

time start for the season opener. ESPN's coverage, which runs through March, will feature 118 teams prior to the championship, the most ever for the cable network. At least 30 of the 32 final teams in last year's NCAA tournament will be featured.

Among the biggest shifts in the ESPN schedule will be moving Big Ten games from Mondays at 9:30 p.m. ET to Tuesdays at 7:30 p.m., allowing for more appearances by the conference's Midwestern teams. ESPN's Monday night triple-header, *Big Monday*, will now begin with the Big East at 7:30, followed by the Big Eight at 9:30 and, in most cases, wrapping up with a Big West game.

The Big Ten Conference renegotiated an existing six-year deal with ESPN last spring to allow for the shift from Mondays to the earlier Tuesday time slot. Under the terms of the new agreement, the conference will be seen on ESPN at least through the 1996-97 season.

Following the Big Ten on Tuesday nights on ESPN will be the Southeastern Conference at 9:30 p.m. Wednesday nights on the cable network will continue to feature Big East and Atlantic Coast Conference doubleheaders, while Thursdays will present a double-header selected from a number of different conferences, including the Pac 10 and the new Great Midwest Conference.

In other college basketball coverage, SportsChannel America, which reaches a total 11 million subscribers nationally through its various regional networks, will deliver almost 140 games representing mostly independent schools. Prime Network, through its 15 affiliated regional networks, will deliver an as-yet-undetermined schedule of games to a portion of its 23 million subscribers. —RB